



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>

cc Paul



TAKE PRIDE
IN AMERICA

m/047/010

IN REPLY REFER TO:

3590

UTU-073071

(UT-923)

NOV 14 2005

DIV. OF OIL, GAS & MINING

NOV 10 2005

CERTIFIED MAIL--Return Receipt Requested

Mr. Dave Lewis

American Gilsonite Company (AGC)

29950 South Bonanza Highway

Bonanza Utah, 84008

Re: Mine Plan Modification Approval, Federal Gilsonite Lease UTU-073071

MINE MODIFICATION PLAN APPROVAL

Background- The Bureau of Land Management (BLM) Utah State Office, received your mine plan modification on August 16, 2005. This change in mining sequence proposes to mine from the AGC's fee property located on T. 9 S., R. 24 E., Section 28, NESE on to the north west end of Federal Gilsonite Lease UTU-073071 (See Enclosure 1.). The previous mine plan approval, dated May 6, 1977, indicated that the mining would be from a shaft designated WH #17 located on Federal Gilsonite Lease UTU-073071. Under the present plan, gilsonite production, including miner transport and ore conveyance, will be from the WH #17 shaft now located on fee property. The proposed escapeway is also located on fee property.

Approval- The mining plan is approved to mine on to Federal Gilsonite Lease UTU-073071 from the AGC fee property as shown on AGC map dated 08/05/05. BLM also approves mining the barrier pillar between the Federal lease and the fee property in accordance with 43 CFR 3494.3.

NEPA- This action is Categorically Excluded as a minor modification to an existing mining plan under The Departmental Manual [516 DM 2.3A(3) & App. 2. There will be no surface disturbance.

Bond- The Lessee has a \$120,000 bond in place. It appears that BLM has sufficient bonding to cover the liabilities for reclamation, rentals and royalties. BLM may adjust the bond amount at any time.

Notice(s)-

1. Any exploration or additional activities not included in the Mine Plan Approval must be approved by the BLM prior to commencement.
2. Should mining conditions warrant a change to your mine plan approval (mining and reclamation plan), you must submit, in writing a request for modification to the Utah State Office (attn: Mr. Stan Perkes) and receive a written approval prior to conducting the proposed modification(s).

Appeal Rights- You have 30 days to appeal this approval to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and Form 1842-1 (enclosed). If an appeal is taken, your notice of appeal must be filed in this office within 30 days following the date of this approval. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

Gregg Hudson

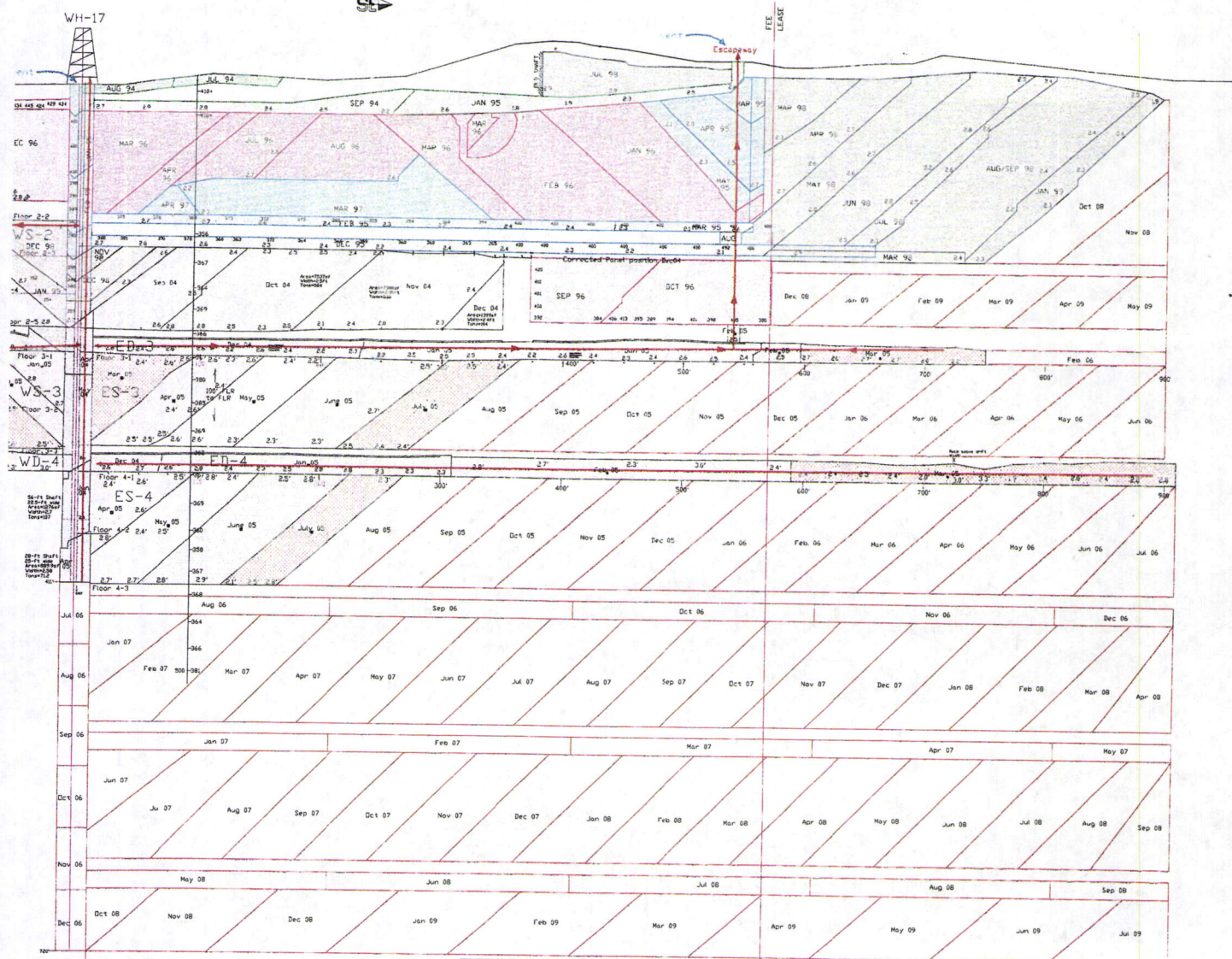
For

James F. Kohler
Chief Solid Minerals

Enclosure

1. Map

bcc: Central Files
Vernal Field Office
Utah Division of Oil, Gas, and Mining (Attn. Doug Jensen, 1594 West North Temple, P.O. Box 145801, Salt Lake City, Utah, 84114-5801)



AMERICAN GILSONITE COMPANY	
DATE:	SEP 1994 Original
SCALE:	1" = 30'
DRAWN BY:	CCT- Scaled Off Original
UPDATED BY:	JCJ
DATE:	8/29/05

REF. NO. Federal Gilsonite Lease UTU-073071
Mining Plan Modification Map

**Mining Plan Approved By
BUREAU OF LAND MANAGEMENT**

Recommended By:

T. Hank Jones 11/7/2005
Mining Engineer (Date)

Approved By:

W. J. H. H. H. H. H. 11/10/05
Manager (Date)
for J.F.H.